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Two Shell Chemical Companies Agree to Reduce Harmful Emissions Under Comprehensive Clean Air Act Settlements

Agreements reduce more than 1,450 tons of harmful air emissions annually

WASHINGTON — Shell Chemical L.P. and Shell Chemical Yabucoa have agreed to install pollution reduction equipment on two petroleum refining facilities at an estimated cost of \$6 million as part of two comprehensive Clean Air Act settlements, the Environmental Protection Agency and the Justice Department announced today. The two companies will also pay a combined \$3.3 million civil penalty to the United States as well as to Alabama and Louisiana, and \$200,000 to Louisiana organizations for environmental education and emergency operations.

Under the settlements, Shell Chemical L.P. will apply new air pollution control technologies and implement other measures to reduce emissions from some of the largest emitting units at its petroleum refining facilities in Saraland, Ala. and St. Rose, La.

“These settlements demonstrate EPA’s continuing commitment to increase compliance and reduce emissions from this industrial sector,” said Cynthia Giles, assistant administrator for EPA’s Office of Enforcement and Compliance Assurance. “As a result of today’s actions, the communities living nearby these refineries can look forward to cleaner, healthier air.”

“These two settlements are excellent examples of businesses working with government to achieve compliance at their facilities around the country, which will benefit the health of local communities and the environment,” said Ignacia S. Moreno, Environment and Natural Resource Division Assistant Attorney General. “We will continue to work with industry to achieve compliance under the Clean Air Act to remove harmful pollution from the air we breathe.”

Shell Chemical Yabucoa operates a facility in Yabucoa, Puerto Rico. For independent business reasons, Shell Chemical Yabucoa decided to shut down its refining operations at the facility in Puerto Rico in the summer of 2009. The company still continues to operate the existing gasoline

terminal there. Collectively the three facilities had a combined production capacity of approximately 235,000 barrels per day.

In addition, the two refineries in Alabama and Louisiana, and the terminal operations in Puerto Rico will upgrade their leak-detection and repair practices to reduce harmful emissions from pumps and valves, implement programs to minimize the number and severity of flaring events and adopt new strategies for ensuring continued compliance with benzene waste requirements under the Clean Air Act.

Together, both settlements will reduce air emissions of sulfur dioxide (SO₂), nitrogen oxides (NO_x) and other harmful pollutants by more than 1,450 tons per year.

The annual emission reductions from all three refineries, including the emissions associated with the shutdown at Yabucoa, are estimated to be approximately 645 tons of SO₂ and approximately 813 tons of NO_x, as well as additional reductions of volatile organic compounds and benzene.

The settlements are the 25th and 26th in a series of “global” multi-issue, multi-facility settlements being pursued by EPA under its National Petroleum Refinery Initiative. With today’s settlements, 102 refineries operating in 30 states and territories are now covered by global settlements, representing more than 89 percent of the nation’s refining capacity.

The states of Alabama and Louisiana actively participated in and are joining in the settlement with Shell Chemical, which was filed with the U.S. District Court for the Southern District of Texas. The settlement with Shell Chemical Yabucoa was filed with the U.S. District Court for the District of Puerto Rico. Each settlement is subject to a 30-day public comment period and approval by the federal court.

More information on the settlement:

<http://www.epa.gov/compliance/resources/cases/civil/caa/shellchemical.html>

More information on EPA’s Petroleum Refinery Initiative:

<http://www.epa.gov/compliance/resources/cases/civil/caa/oil/>